

REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

AUDIT OF THE CITY MARSHAL'S OFFICE

INTERNAL AUDIT REPORT 100009-08

DECEMBER 31, 2009



December 31, 2009

Councilwoman Joyce Bowman
Chairman, Shreveport City Council

Dear Councilwoman Bowman:

Subject: IAR 100009-08 - Audit of the City Marshal's Office

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Graham, CPA, CIA
City Internal Auditor

C: City Council
CAO
City Attorney
Clerk of Council
City Marshal

**EXECUTIVE SUMMARY
AUDIT OF THE
CITY MARSHAL'S OFFICE
INTERNAL AUDIT REPORT (IAR) 100009-08**

The purpose of the executive summary is to convey in capsule form the significant issues of the audit report. The executive summary is a vehicle for reviewing the report and should only be used in conjunction with the entire report.

INTRODUCTION

The City Marshal is the Executive Officer of the City Court who has the power of a sheriff in the execution of the Court's orders and mandates for making arrests and preserving the peace. The Marshal determines the level of personnel and equipment required by his office and requests these resources from the City of Shreveport.

RECOMMENDATION EVALUATION RISK CRITERIA

The chart below summarizes recommendations outlined in the report and our evaluation of risk for the recommendations. We evaluated the importance of each audit recommendation by assigning each a level of risk. The risk levels, as defined in the chart below, were determined based on the possible results for the entity if the recommendation is not implemented. This report contains 5 findings with 13 recommendations to address the observed deficient conditions.

Risk Levels	Recommendations
High Risk Possibility of fraud, waste, and abuse of City assets; Interrupted and/or disrupted operations; Entity's mission not being met; Adverse publicity.	Adequate that written operating policies and procedures are developed to ensure that time and attendance activities on all assigned employees are conducted consistent with established administrative guidelines. (Findings 1, 2, and 3)
Medium Risk Possibility of continuing, significant operating inefficiencies and high-level non-compliance issues.	Revise written operational guidelines to ensure better operational efficiency and effectiveness. Take necessary measures to ensure that bail bond cash forfeiture collection responsibilities are conducted consistent with related legislative procedures. (Findings 4 and 5)
Low Risk Possibility of continuing operating inefficiencies and some low-level non-compliance issues.	(None applicable)

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AUDIT OF THE CITY MARSHAL'S OFFICE INTERNAL AUDIT REPORT (IAR) 100009-08

OBJECTIVE

We have completed an audit of the City Marshal's Office. The objective of the audit was to determine the economy and efficiency of their operations.

SCOPE AND METHODOLOGY

The scope of the study of internal control was limited to the general controls surrounding our objectives for the current operating period. Audit procedures applied included the following:

- Reviewing applicable records and documents.
- Interviewing appropriate operating personnel and management.
- Observing operations.

BACKGROUND

The City Marshal is the Executive Officer of the City Court who has the power of a sheriff in the execution of the Court's orders and mandates for making arrests and preserving the peace. The Marshal determines the level of personnel and equipment required by his office and requests these resources from the City of Shreveport.

CONCLUSIONS/FINDINGS/RECOMMENDATIONS

We wish to express our sincere appreciation to employees of the City Marshal's Office for their invaluable assistance during the course of our fieldwork.

Based on the results of our audit, we believe that management could enhance their control environment by addressing the discrepancies summarized below.

- Ensure that time and attendance activities on all assigned employees are conducted consistent with related guidelines.
- Ascertain that leave accrual information on all employees assigned is consistent with data maintained by the City of Shreveport Finance Department's payroll office.
- Document employee time and attendance activity reports so as to adequately maintain and support all individual payroll disbursements.



- Take appropriate actions to ensure that periodic performance evaluations are completed on all assigned employees on a recurring basis.
- Ensure that operational complaints received are adequately documented, including their status and/or final disposition.
- Revise written operating guidelines to ensure that assigned employees perform their daily activities consistently with management's expectations.
- Take appropriate action to ensure that delinquent account bail bond cash forfeiture collection responsibilities are conducted in accordance with established policy.

1. Undocumented Employee Time and Attendance Data

Background: The City Marshal determines the level of employees and equipment required by his office and the City of Shreveport provides related financial support for services rendered. Although the city provides subsidies for employee related actions, no written guidelines have been developed between the City Marshal's Office and City administration officials specifying the terms and conditions under which such support is to be provided and administered.

Criteria: City administrative policies and procedures require that management officials maintain adequate time and attendance data on its assigned employees. Accordingly, properly documented work schedules support each employee's vacation, sick, and compensatory time activities. Our tests were conducted to ascertain if individual employee balances were being maintained accurately and consistent with applicable related policies.

Condition: Time accrual data maintained by Marshal's Office personnel were inconsistent with related information maintained by the Finance Department's Payroll Office.

- Instead of maintaining time accrual data as it occurred, individual employee balances were pre-recorded by the Marshal for a year's period in advance. We were informed that individual records were adjusted accordingly when related actions required it.
- Data maintained by the Finance Department's Payroll Office indicated that Marshal's Office employee accrual balances were inconsistent with theirs. In fact, Payroll Office files indicated that active files were being maintained on only eight of the twenty-nine employees assigned to the Marshal's Office.
- Assigned employees supposedly generated applicable Forms 24 (Absence Request and Report), when applicable. However, Payroll Office personnel received no source documents which supported normal attendance records on the employees assigned.
- The Payroll Office was not always notified of individual vacation and/or sick absence activities as they occurred.



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- While employees are normally rewarded with compensatory time off for excessive hours worked, no records were being maintained to document related hours accrued or used by individuals concerned.

Effect:

- Improper accountability over employee time and attendance activities.
- Potential for fraud, waste, and abuse of government resources.
- Unsupported time and attendance accruals.
- Inadequately supported payroll expenditures.
- Potential for unsupported employment claims/payments.

Cause: Lack of applicable operating policies and guidelines.

Recommendations: The City Marshal and Shreveport's Chief Administrative Officer should take appropriate actions to ensure that written operating policies and procedures are developed to ensure that:

- Time and attendance activities on all assigned employees are conducted consistent with related guidelines. Specifically, the provisions of City of Shreveport Executive Order 91-2, "***Personnel Rules for Non-Classified Employees***," dated December 30, 1997, should be considered for applicability and compliance.
- Leave accrual information on all employees assigned is consistent with data maintained by the Payroll Office.
- Adequately documented employee time and attendance activity reports are maintained to support all individual payroll disbursements.
- Detailed administrative policies and procedures regarding these and other applicable subjects adopted by management are disseminated to and complied with by all assigned employees.

Management Plan of Action: Contacted CAO Dale Sibley via e-mail concerning this matter on 1/5/10. Awaiting reply. Will continue to work on this in order to maintain accurate records between the Marshal's Office and City Payroll.

Timetable: On going.

2. Employee Performance Activities

Criteria: Periodic performance evaluations are normally completed on all assigned employees in order to effectively substantiate individual job assignment weaknesses and strengths. They also support applicable salary adjustments deemed appropriate by management officials. These actions are usually accomplished during an employee's employment anniversary date.



Condition: Our review of current operations indicated that performance evaluations were not being completed. We were informed that such actions occurred only when special circumstances required them.

Effect:

- Ineffective means of substantiating employees' strengths and weaknesses.
- Unsupported basis for merit increases and/or associated personnel actions.

Cause: Procedure had not been implemented or considered by previous management officials.

Recommendation: The City Marshal should take appropriate actions to ensure that periodic performance evaluations are completed on all assigned employees on a recurring basis. These actions should normally be completed and discussed with individuals assigned on their employment anniversary dates.

(Auditor's Note: Initiation of individual performance evaluations was begun during the course of our fieldwork.)

Management Plan of Action: Evaluation form created. Done on employees' hire date and placed in employees' file.

Timetable: Completed.

3. Undocumented Complaint Data

Criteria: Adequately documented facts on unfavorable and complaint issues experienced in the past with customers and employees may assist management in effectively addressing possible solutions in future reoccurrences.

Condition: Data on unfavorable referrals previously experienced in the department were not always recorded or documented. The Marshal maintained partial information on some of the complaints received but did not always document required actions or their final disposition.

Effect: Incomplete or insufficient data maintained on issues and complaints received could hamper possible solutions on future recurrences.

Cause: Inadequately supported data maintained on possible future problematic areas.

Recommendation: The City Marshal should take appropriate action to ensure that complaints received are adequately documented, including their status and final disposition.



Management Plan of Action: Complaint form created for employees. All complaints will be documented. Reviewed by the Marshal and Chief Deputy and will become a part of the employee's permanent file.

Timetable: Done.

4. Operating Guidelines

Criteria: A standard operational procedures manual can improve operations by providing uniformity in practices, establishing clear lines of responsibility, enhancing accountability, lessening the threat to continuity posed by employee turnover, and remediating charges of inequity or unfairness in practices.

Condition: The Marshal's Office had developed written policies to be followed on various operational subjects. However, there was no evidence that administrative guidelines had been developed addressing how employees were to conduct the exigencies of daily operational activities in the absence of key operating personnel.

Effect:

- Operations might be conducted inconsistently with related mission requirements.
- Existing laws and regulations may be violated.

Cause: Management personnel had not considered the inestimable value provided by written policies and procedures.

Recommendation: We recommend that management develop standard operating procedure instructions to guide responsible employees in performing their daily activities. These instructions should have adequate coverage; provide sufficient detail; be clear and unambiguous; permit easy, ready reference by users; and permit revision by management as needed. They should contain instructions pertaining to:

- (a) specific administrative requirements to be followed in documenting and accounting for time and attendance activities,
- (b) how employees should accurately process and account for all cash transactions,
- (c) documentation required to accurately record daily operational transactions, and
- (c) accurate procedures for accounting and monitoring of city-owned assets.

Management Plan of Action: The Marshal's office is currently training two individuals to fill administrative positions to maintain daily operations in the event other key personnel are not present. These individuals are being trained in all administrative aspects of the Marshal's office. In our Policy and Procedure there is a section pertaining to the handling of cash, Section 4.31 under Accountability of Handling Cash. All daily cash transactions are accessible and accounted for at the end of each day. All



equipment of the Marshal's office has been purchased using the Marshal's discretionary fund. Our office updates and returns annual inventory sheets sent to us by the City.

Timetable: Done.

5. Collection of Delinquent Revenue

Criteria: City officials are responsible for ensuring that bail bond cash forfeitures be collected from corresponding companies whenever violators fail to comply with established personal appearance dates. Specifically, state governmental legislation specifies that the City Courts system should effect and enforce such collection procedures.

Condition: The collection system in effect to ensure collection of the cited funds was not being conducted as specified. Although not established consistently with the applicable revised statute, the related actions were being conducted by personnel in the City Marshal's office.

Effect: Collection procedures conducted inconsistently with related governmental directives.

Cause: Deviation from established policies and guidelines.

Recommendations: To ensure compliance with pertinent guidelines, we suggest that:

- The City Marshal should take appropriate action to ensure that delinquent account bail bond cash forfeiture collection responsibilities are overseen by City Attorney employees, as stated in stated-issued legislation.
- The City Attorney should in turn ensure that written guidelines are developed by the administration to ensure that applicable procedures are conducted.

(Auditor's Note: Corrective action on the recommendation stated above is scheduled for implementation during January 2010.)

Management Plan of Action: In the past the Marshal's made attempts in the collection of the delinquent fees owed by bondsman. Our office attempted this by prohibiting the bondsman from writing bonds until their forfeitures were paid. We were advised by the City Attorney that we could not prohibit bondsman from writing bonds in this manner. The matter has since been turned over to the City Attorney's office for collection. There has been some question as to the legality of how the bonds/forfeitures were being handled, should the City Clerk's or the Marshal's office mail out the notification of forfeiture. In an effort to eliminate this problem the Marshal's office, beginning Jan 1, 2010, is in the process of transferring all matters pertaining to bonds to the clerk's office. Hopefully by the end of this month our office will no longer mail out any notifications of



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forfeitures. The collections of funds owed by the bondsman will depend solely upon the City Attorney's office.

Timetable: Done.

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C: Mayor
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